

OUR EDITORIALS

Court Costs

Courts should recognize Wayne County's financial plight in funding demands

Residents of Wayne County, beset by declining property values and high rates of unemployment, may be surprised to learn that their county budget is being set by a judge in St. Clair County. The St. Clair judge has ruled in an appropriations dispute between the rest of Wayne County government and its circuit court. He has involved himself in a level of budget details and ordered spending far beyond what is appropriate to the case.

At issue is a running argument between the Wayne County Circuit Court and the county executive and commissioners over the level of appropriations needed to operate the court. The Michigan Supreme Court has ruled on several occasions that the courts have the "inherent power" to compel appropriations from the county boards for money sufficient to meet their needs.

However, the state's high court has also said that the rule should be interpreted so the funds provided are "serviceable" and "reasonable and necessary," but not "optimal."

In other words, the justices have said over the years that local courts cannot order county boards – or the taxpayers to provide the hearts desire of judges.

Nevertheless, St. Clair Circuit Judge Peter Deegan, who had been asked to hear the dispute between the Wayne County branches of government, has ordered Wayne County hire or make available to the court an additional 46 deputies from the Sheriff's Department, 13 staffers for the Friend of Court Office and 51 staffers for the circuit court itself, for a total of 110 new staffers.

He has ordered the court be granted its own computer department, including ex-

tending a computer system that some judges have said has not worked well, and ordered the county to rebuild or refurbish two courthouses and the Friend of the Court offices. And, he has ordered the county to hire an expert to monitor the upgrades to the court facilities.

Deegan, in his ruling last week, seemed particularly incensed that the county spent \$14 million to purchase the Guardian Building and another \$24 million to refurbish it for the commission and the county executive's offices.

The timing of the expenditures on the Guardian Building may not have been wise, but that should not be decisive in Deegan's ruling, which County Executive Robert Ficano has stated would cost around \$500 million.

Ficano may well be exaggerating for political effect, but level of additional staffing and capital investment in court building seems extreme for a county government with a deficit of around \$260 million.

The county is appealing Deegan's ruling. The circuit court may be entitled to come additional appropriations, but cooler heads ought to prevail at the Court of Appeals. As the Supreme Court has stated, the test ought to be what is serviceable, not what is ideal. The appellate court ought to show some fairness to the county's taxpayers.

OPINION

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Posted: Nov. 11, 2010

Editorial

A blank check for Wayne County courts is out of order

Wayne County was right to appeal an out-of-town circuit judge's decision that it should cough up hundreds of millions of dollars more to operate the county's courts.

"If I could appoint Brooks Patterson and Mark Hackel, I bet I could get a pretty favorable ruling," said county Executive Robert Ficano, referring to the incongruity of having a circuit court judge rule on another circuit court's pleas that it be allowed to spend whatever it deems necessary -- in fact, in this case, more than the court had requested.

Patterson and Hackel, Ficano's fellow executive and executive-elect in neighboring Oakland and Wayne Counties, surely would sympathize.

But Wayne County is cursed with its own brand of internecine warfare, as elected officials go at each other's throats. Beleaguered -- and already well-taxed -- citizens can't help but wonder why their elected officials won't pull together during hard times.

Now, with a ruling in hand that says they don't have to pull together, Wayne County circuit judges are unlikely to try to save any money. Their patron, St. Clair County Circuit Judge Peter Deegan, has ordered Ficano to come up with 110 more sheriff deputies and other court employees to serve them (at a cost of roughly \$1.1 million a year), to hire enough temporary help in the county clerk's office to bring filings up to date, to fund a new computer system of the court's choosing, to provide more janitors, and to fix or replace three of the court's four buildings. Deegan also is forcing the county to hire a special master named by him to ensure that "the citizens of Wayne County may truly have access

to justice."

Ficano likens the situation to having your neighbor possess your credit card and indulge whatever spending they like. While his initial response was overwrought, including the \$500-million total he tallied as the bill

that would result from Deegan's order, he

has the higher ground in defense of the county's taxpayers.

Nonetheless, Deegan rounded up some appalling testimony.

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Most notably, Wayne County needs to take seriously the deteriorating physical conditions and security at the Lincoln Hall of Justice, where juvenile and family division cases are handled. Filing backlogs include 10,000 warrants and at least 65,000 documents for the Child and Family Division. Friend of the Court collections of child support are behind by \$5 billion.

The court is also stymied by a lack of adequate, and interactive, information technology. But Deegan should not be ordering a specific system, which he did, and his insistence that the circuit Now, with a ruling in hand that says they don't have to pull together, Wayne County circuit

court have full control is hardly a recipe for collaboration and may not even be a recipe for success.

As Deegan documented, Wayne County has a running deficit projected at \$266 million as of Sept. 30, nearly a quarter of which is attributed to the circuit court not staying within the budget set by the County Commission. Neither the county nor the 3rd Circuit Court can continue on this path, and the pressure to cut spending will only grow as property taxes decline farther. Instead of savoring victory in their suit against the county, the leaders of the Wayne County Circuit Court need to sit down and negotiate an economical way forward. Taxpayers are not going to be nearly as eager to hand them blank checks as a fellow circuit court judge seems to be.

OUR EDITORIALS

Budget battle is hurting Wayne County

County should get permanent relief from circuit court spending from appellate courts

Wayne County is suffering financially, in part because of the mismanagement of funds by the Wayne County Circuit Court. This is not a new problem, but the consequences are growing.

We've noted the problem with the court's spending previously, but recently, Standard & Poor's lowered its rating on the county's previously issued bonds from an "A+" to a "BBB+," meaning the agency is less confident the county can repay its debt. This could also make it harder for the county to borrow in the future. In a new analysis, the rating service lays out one of the chief reasons for the lowered rating: "While Wayne County has done, in our view, a commendable job managing the operations under its control, the impact on the county's financial position by the circuit court system is both notable and volatile." The meaning is clear.

While several factors contribute to the lowered bond rating, the problems with the circuit court are glaring. The county has a requirement to fund circuit court operations - but possesses a limited ability to rein in costs because the courts operate independently. And when the county does try to control spending, the court sues. "You can't budget by litigation," says County Executive Robert Ficano.

Other departments, including his own, have taken pay and benefit cuts, but Ficano says nothing "shames" the court. The circuit court refuses to make concessions. It also has rejected other commonsense cost-saving measures, such as integrating human resources and information technology services with the county.

When the court overspends, the county is left to cover the extra costs. The county has tried to impose restraints on the court and has ended up in a court

battle over the matter. The state high court has ruled previously that courts have the authority to ensure county boards are meeting the needs of the local courts.

But the needs must be "serviceable" and "reasonable and necessary," not simply a wish list.

After a lower court instructed Wayne County to remove any spending controls, a state appellate court granted the county a stay in March to continue with the measures.

While this was a temporary win for the county, it is not a permanent fix. Standard and Poor's recommends the county find a long-term solution that would allow it to control court expenditures. As of now, the court is "making the county's financial position less stable," the rating agency states.

Last fiscal year, the county allocated about \$70 million of its \$580 million general fund to the circuit court; now the court is requesting an additional \$21 million, Ficano says. This is money the county doesn't have to give out, in light of its declining revenues.

Virgil Smith, chief judge of the Wayne Circuit Court, has argued the court deserves every penny it's given - and that it should be granted more. In The Detroit News, Smith wrote that the court is "one of the 15 busiest

trial courts in the nation," processing more than 100,000 cases each year. Regardless of problems within the

court, the impasse between the county and circuit court should end. As Ficano notes, the system needs to change. At the very least, appellate courts should overturn the ruling imposing more circuit court costs on Wayne County.